Retirement plans guide
Facts at a glance

Contents

What’s your plan?

Employer-sponsored retirement plans and individual retirement accounts (IRAs) offer valuable tax benefits. But keeping up with the different types of plans and the tax rules that apply to them can be time consuming.

This guide was designed to help you understand key facts and figures about retirement plans. The “at-a-glance” format makes it easy to compare plan features to help you determine which plan is best for you.

You’ll also learn about useful retirement planning information, including:

1. **Current federal tax rates.**
2. **Income tax brackets for individual taxpayers.**
3. **Retirement plan distribution rules.**
4. **Rollovers and transfers.**

This information is provided for a general understanding of different types of plans and their features. Contact your investment advisor for complete information on any plan and its application to your particular situation. Note that amounts withdrawn from retirement plans are generally included as taxable income in the year received and may be subject to tax penalties if withdrawn prior to 59½. Some plans may restrict withdrawals. Exceptions may apply.

Small business/employer retirement plans

Small business/employer retirement plans			
Type of plan	**Key features**	**Who can establish**	**2018 and 2019 contributions**
Simplified Employee Pension (SEP)	– Minimal paperwork and reporting. – Employers can change their annual contributions and contributions may be discretionary. – Deductible employer contributions are made directly to employees' IRAs. – All contributions must be 100% vested immediately.	– Self-employed persons, partnerships, corporations and nonprofit groups	**Who contributes: employer** – Up to the lesser of 25% of an employee's eligible compensation or – $56,000 per employee for 2019 ($55,000 for 2018)

SIMPLE IRA	– Inexpensive 401(k)-type plan for smaller employers.
	– No 401(k)-type discrimination testing.
	– Employees can make pretax elective deferrals.
	– Deductible employer contributions are made directly to employees' IRAs.
	– Employer contributions are mandatory.
	– All contributions must be 100% vested immediately.
		– Self-employed persons, partnerships, corporations, nonprofit groups, tax-exempt institutions and government entities with 100 or fewer employees who earned $5,000 or more in compensation in the preceding year
		– Generally, the employer may not maintain another plan.
			Who contributes: employee and employer
			– Employees can defer up to
			  – $13,000 ($16,000 if 50 or older) for 2019 and $12,500 ($15,500 if 50 or older) for 2018.
			– Employer must choose one of two options:
			  – Match employee's contribution dollar for dollar, up to 3% of compensation (no salary maximum; match cannot exceed deferral limit).[1]
			  – Contribute 2% of each eligible employee's compensation. Maximum eligible compensation:
			    – $280,000 for 2019 tax year ($275,000 for 2018).

Solo 401(k)	– 401(k) program designed for business owners with no employees.[2]
	– Business owner contribution requirements are set in the plan document. Contributions may be discretionary.
	– Participant loans are available if permitted by the plan.
		– Business owners (and their spouses) with no employees	**Who contributes: business owner**
			– Business owner can make up to a 25% discretionary profit sharing contribution and defer up to
			  – $19,000 ($25,000 if 50 or older) for 2019 tax year ($18,500 or $24,500 if 50 or older for 2018).
			– Combined contributions (both salary deferrals and profit sharing) cannot exceed the lesser of 100% of compensation or
			  – $56,000 per person for 2019 tax year ($55,000 for 2018).
			Catch-up deferrals are not included in this limit.

401(k)	– Employees may make pretax elective deferrals.
	– Employees may make Roth contributions (after tax) if permitted by the plan.
	– Employer matching and profit sharing contributions may be discretionary if permitted by the plan.
	– Participant loans are available if permitted by the plan.
	– Vesting schedule on employer contributions is determined by the employer.
	– Due to complicated discrimination testing and tax reporting, third-party administrative services are recommended.
		– Partnerships, corporations and nonprofit groups (no government entities)	**Who contributes: employee and employer**
			– Employees can defer up to
			  – $19,000 ($25,000 if 50 or older) for 2019 tax year ($18,500 or $24,500 if 50 or older for 2018).
			– Deferrals and employer contributions cannot exceed the lesser of 100% of compensation or
			  – $56,000 per person for 2019 tax year ($55,000 for 2018).
			Catch-up deferrals are not included in this limit.
			– Total employer contributions to the plan cannot exceed 25% of total eligible compensation. (Employer contributions exclude employee deferrals.)
			– Maximum eligible compensation:
			  – $280,000 for 2019 tax year ($275,000 for 2018).

Safe Harbor 401(k) and Super Comparability 401(k)	– Safe harbor 401(k) permits employers to choose either a 3% non-elective contribution or a 4% match on a 5% deferral.
	– Employer contribution must be made each year to maintain safe harbor provisions.
	– Super comparability 401(k) combines the features of a new comparability plan (see next page) with 401(k) safe harbor provisions.
	– No 401(k)-type discrimination testing for either plan.
	– Participant loans are available for either if permitted by the plan.
	– Due to the complexity of the contribution calculation, retirement plan administrative services are necessary.
		– Partnerships, corporations and nonprofit groups (no government entities)
		– Employers must provide a 30-day notice before establishing the plan.
			Who contributes: employee and employer
			– Employees can defer up to
			  – $19,000 ($25,000 if 50 or older) for 2019 tax year ($18,500 or $24,500 if 50 or older for 2018).
			– Deferrals and employer contributions cannot exceed the lesser of 100% of compensation or
			  – $56,000 per employee for 2019 tax year ($55,000 for 2018).
			Catch-up deferrals are not included in this limit.
			– Total employer contributions cannot exceed 25% of total eligible compensation. (Employer contributions exclude employee deferrals.)
			– Maximum eligible compensation:
			  – $280,000 for 2019 tax year ($275,000 for 2018).

Small business/employer retirement plans

Type of plan	Key features	Who can establish	2018 and 2019 contributions

Profit Sharing, Age-Weighted and New Comparability	– Profit sharing contribution requirements are set in the plan document. Contributions may be discretionary.
	– Age-weighted formula is determined by the salary range and age of employees.
	– New comparability formula groups employees into categories and then bases the formula on each group as governed by nondiscrimination regulations.
	– Employers may add a 401(k) salary deferral feature for all plans.
	– Participant loans are available for all if permitted by the plan.
	– Vesting schedule is determined by the employer for all plans.
	– Due to the complexity of the contribution calculation and nondiscrimination testing, retirement plan administrative services are necessary.
		– Self-employed persons, partnerships, corporations and nonprofit groups	**Who contributes: employer**
			– Up to the lesser of 100% of eligible compensation or
			  – $56,000 per employee for 2019 ($55,000 for 2018).
			– Total employer contribution cannot exceed 25% of total eligible compensation.
			– Maximum eligible compensation:
			  – $280,000 for 2019 tax year ($275,000 for 2018).

Money Purchase Pension	– Similar to a profit sharing plan except employer contribution must be made each year.
	– Required contribution generally stated as a specific percentage of each participant's compensation.
	– Participant loans are available if permitted by the plan.
		– Partnerships, corporations and nonprofit groups	**Who contributes: employer**
			– Up to the lesser of 100% of eligible compensation or
			  – $56,000 per employee for 2019 ($55,000 for 2018).
			– Total employer contribution cannot exceed 25% of total eligible compensation.
			– Maximum eligible compensation:
			  – $280,000 for 2019 tax year ($275,000 for 2018).

403(b)	– Participants can make pretax salary deferral contributions. – Participants can make Roth contributions (after tax) if permitted by the plan. – Participant loans are available if permitted by the plan. – Employer contributions are allowed if included in the plan.	– Universities, colleges, hospitals, churches, public schools and other nonprofit 501(c)(3) groups	**Who contributes: employee and employer** – Up to the lesser of 100% of eligible compensation or – $19,000 ($25,000 if 50 or older) for 2019 tax year ($18,500 or $24,500 if 50 or older for 2018).[3]
Governmental 457(b)	– Employees make salary reduction contributions or employer contributes. – Participant loans are available if permitted by the plan. – No 10% penalty for early withdrawal upon retirement or termination of employment before age 59½ (except for amounts attributable to rollovers from other plans). – May cover part-time employees and independent contractors who perform services for the employer in addition to full-time employees. – Participants can make Roth contributions (after tax) if permitted by the plan.	– State and local governments or tax-exempt organizations under IRC 501(c)	**Who contributes: employee and employer** – Employees and/or employer can contribute up to – $19,000 ($25,000 if 50 or older) for 2019 tax year ($18,500 or $24,500 if 50 or older for 2018).[3]

1 In two years of any five-year period, match can be reduced to 1% of compensation.
2 Solo business owners can be defined as one individual (or the individual and his/her spouse) who owns 100% of the business, or one or more partners (or partners and their spouses).
3 Employees who are age 50 or older may be eligible for additional catch-up contributions.
All rules related to the establishment or maintenance of each plan type are not included in this summary. Additional rules may also apply if an employer maintains multiple plans. Please consult your tax advisor for detailed information. Invesco representatives do not provide investment or tax advice.

Small business/employer retirement plans

	Traditional IRA	Roth IRA
Who Can Establish/ Contribute	**Individuals** – The account owner (or the owner's spouse, if married filing jointly) must have compensation[1] to contribute. – No contributions are allowed for the year in which the account owner turns 70 1/2 or thereafter.	**Individuals** – The account owner (or the owner's spouse, if married filing jointly) must have compensation[1] to contribute. – Contributions are not allowed (or maximum allowable contribution is reduced) for individuals with modified adjusted gross income (AGI) in certain ranges. – No age restrictions apply.
Contributions	– Potentially deductible – The deduction is reduced or eliminated at specified income levels if account owner or owner's spouse participates in an employer-sponsored retirement plan. – Nondeductible contributions are allowed.	– Nondeductible
Earnings	– Tax deferred	– Tax deferred
Withdrawals	– Taxable (unless attributable to nondeductible contributions)	– Tax free after the account has been maintained for five years and owner: – Is age 59½ or older. – Is paying first-time homebuying expenses ($10,000 lifetime cap). – Is permanently disabled. – Has died and amount is paid to the beneficiary. – Roth contributions generally may be withdrawn tax and penalty free at any time.

Traditional IRA — maximum deductible contribution

	2019			2018		
	Modified AGI	**Younger than 50**	**50 or older[2]**	**Modified AGI**	**Younger than 50**	**50 or older[2]**
Single[3]	$64,000 or less	$6,000	$7,000	$63,000 or less	$5,500	$6,500
	More than $64,000 but less than $74,000	Partial deduction	Partial deduction	More than $63,000 but less than $73,000	Partial deduction	Partial deduction
	$74,000+	None	None	$73,000+	None	None
Married (Filing Jointly)[3]	$103,000 or less	$6,000	$7,000	$101,000 or less	$5,500	$6,500
	More than $103,000 but less than $123,000	Partial deduction	Partial deduction	More than $101,000 but less than $121,000	Partial deduction	Partial deduction
	$123,000+	None	None	$121,000+	None	None

Roth IRA — maximum contribution

	2019			2018		
	Modified AGI	**Younger than 50**	**50 or older[2]**	**Modified AGI**	**Younger than 50**	**50 or older[2]**
Single	less than $122,000	$6,000	$7,000	less than $120,000	$5,500	$6,500
	$122,000 but less than $137,000	Partial contribution	Partial contribution	$120,000 but less than $135,000	Partial contribution	Partial contribution
	$137,000+	None	None	$135,000+	None	None
Married (Filing Jointly)	less than $193,000	$6,000	$7,000	less than $189,000	$5,500	$6,500
	$193,000 but less than $203,000	Partial contribution	Partial contribution	$189,000 but less than $199,000	Partial contribution	Partial contribution
	$203,000+	None	None	$199,000+	None	None

1 Compensation includes taxable wages, salaries, tips, bonuses, commissions, self-employment income and alimony and separate maintenance payments, as well as nontaxable combat pay received by members of the U.S. Armed Forces.
2 A person is no longer eligible to contribute to a traditional IRA starting the year in which they turn 70½ and thereafter.
3 Individuals filing a single return and not covered by a retirement plan at work may deduct the full contribution amount with no modified AGI restrictions. For a married couple filing jointly, if both taxpayers are not covered by a retirement plan at work, the full contribution amount is deductible with no modified AGI restrictions. For a married couple filing jointly where the IRA contributor is not an active participant in an employer-sponsored retirement plan and is married to someone who is an active participant, the deduction is phased out if the couple's income is between $193,000 and $203,000 in 2019, up from $189,000 and $199,000 in 2018.

Retirement plan distributions

Retirement plan distributions

	Under 59½ years of age	59½ to 70½ years of age	Over 70½ years of age
Traditional IRA/SEP/SIMPLE IRA			
Tax Implications:	– Taxed as ordinary income[1]	– Taxed as ordinary income[1]	– Taxed as ordinary income[1]
Withdrawal Penalties:	– 10% penalty on taxable portion of distribution unless a penalty exception applies. With a SIMPLE IRA, the penalty for early withdrawal is 25% during the first two years of plan participation.	– None	– Failure to take any year's full required minimum distribution (RMD) will result in a 50% penalty on the amount that should have been withdrawn.
RMDs:	– Not until age 70½	– Not until age 70½	– Yes, starting no later than April 1 of the calendar year after the account owner/participant turns 70½, then by December 31 each year thereafter.
Roth IRA			
Tax Implications:	– Contributions can be withdrawn tax free. Ordinary income tax applies to investment earnings unless the Roth IRA has been open for at least five years and withdrawal is due to death, disability or qualified first home purchase.	– Contributions can be withdrawn tax free. Investment earnings can be withdrawn tax free as long as the account has been open for at least five years from the Jan. 1 of the tax year for which a contribution was first made.	– Contributions can be withdrawn tax free. Investment earnings can be withdrawn tax free as long as the account has been open for at least five years from the Jan. 1 of the tax year for which a contribution was first made.
Withdrawal Penalties:	– No penalties on withdrawal of contributions. 10% penalty on investment earnings withdrawn unless a tax-free distribution or a penalty exception applies.	– None	– None
RMDs:	– None during lifetime of original owner	– None during lifetime of original owner	– None during lifetime of original owner
Qualified Plan[2]/403(b)/Governmental 457(b)			
Tax Implications:	– Depends on the type of plan, but generally taxed as ordinary income	– Generally taxed as ordinary income	Generally taxed as ordinary income
Withdrawal Penalties:	– Qualified plan/403(b): 10% penalty on amounts not rolled over to another plan within 60 days unless an early withdrawal exception applies. – 457(b): Generally no penalty[3]	– None, but participant may be required to separate from service before withdrawals are allowed if the plan does not allow for in-service withdrawals.	– Failure to take any year's full RMD will result in a 50% penalty on the amount that should have been withdrawn.
RMDs:	– Not until age 70½	– Not until age 70½	– Yes, generally starting April 1 of the calendar year following the later of the year after participant turns 70½ or the calendar year in which the participant retires from employment with the employer maintaining the plan, then by December 31 each year thereafter.[4]
Roth 401(k)/Roth 403(b)/Roth 457(b)			
Tax Implications:	– Ordinary income tax applies to investment earnings unless employee has been a Roth participant for at least five tax years and the distribution is due to death or disability.	– Distributions are tax free with five tax years or more of Roth plan participation. If the five-year requirement isn't met, the amount attributable to investment earnings is subject to ordinary income tax.	– Distributions are tax free with five tax years or more of Roth plan participation. If the five-year requirement isn't met, the amount attributable to investment earnings is subject to ordinary income tax.
Withdrawal Penalties:	– 10% penalty on taxable amount unless an exception applies	– None	– Failure to take any year's full RMD will result in a 50% penalty on any taxable amount that should have been withdrawn.
RMDs:	– Not until age 70½	– Not until age 70½	– Yes, generally starting April 1 of the calendar year following the later of the year after participant turns 70½ or the calendar year in which the participant retires from employment with the employer maintaining the plan, then by December 31 each year thereafter.[4]

1 Any amounts withdrawn from a traditional IRA that represent nondeductible contributions are not subject to tax.
2 A retirement plan that meets the requirements of the Internal Revenue Code to qualify for tax-favored treatment (e.g., 401(k), profit sharing, money purchase)
3 A 10% penalty could apply if the distribution from the 457(b) plan is attributable to funds rolled into the plan from a qualified plan and the distribution does not qualify for another penalty exception.
4 Qualified plan individuals owning more than 5% of the company sponsoring the retirement plan must begin taking RMDs by April 1 of the calendar year following the year they reach age 70 1/2, regardless of retirement status.

Retirement plan distributions (continued)

Distributions not subject to the 10% early withdrawal penalty

IRA/SEP/SIMPLE IRA[1]/Qualified Plan/403(b)	IRA/SEP/SIMPLE IRA[1]	Qualified plan/403(b)
- On or after age 59½ - Death - Permanent disability (as defined in the Internal Revenue Code) - Series of substantially equal periodic payments - IRS levy on the IRA or plan - Qualified reservist distribution - Unreimbursed medical expenses in excess of 10% of AGI	- Qualified first-time homebuyer expenses ($10,000 lifetime limitation) - Qualified higher education expenses - Payment of health insurance premiums while unemployed (requirements apply)	- After an employee's separation from service where the separation occurs during or after the year the employee reaches age 55 - To an alternate payee under a qualified domestic relations order (QDRO)

Substantially equal periodic payments[2]

Distributions from a qualified plan, a 403(b) or an IRA before age 59½ are not subject to the 10% early withdrawal penalty if they consist of a series of "substantially equal periodic payments" (SEPP) that satisfy Section 72(t) of the Internal Revenue Code. Payments must be taken annually for at least five years or until age 59½, whichever is longer.

Calculating the distribution amount

IRS-approved method	Description	Key features

RMD	- Divide the account balance for each year by the appropriate life-expectancy factor from one of three IRS tables:
	  - Uniform Lifetime
	  - Single Life Expectancy
	  - Joint and Last Survivor
	- The same table must be used for all payment calculations.
		- Requires annual recalculation of the payment using the updated account balance and life-expectancy factor.
		- Of the three methods, the RMD method generally results in the lowest payment.
		- Annual changes to the payment amount are not considered modifications of the SEPP arrangement.

Fixed Amortization	- Amortize the account balance in the first year of payment using the life-expectancy factor from one of the IRS tables listed above and an interest rate. - The interest rate can't be more than 120% of the federal mid-term rate for either of the two months immediately preceding the month in which payments begin.	- The payment is not recalculated after it is initially determined – it remains the same each year. - Exception: The IRS allows the account owner to switch to the RMD method in any year after the first year provided the RMD method continues to be followed in all later years.
Fixed Annuitization	- Similar to the fixed amortization method except that the life-expectancy factor ("annuity factor") is taken from an IRS-approved mortality table.	- The payment is not recalculated after it is initially determined – it remains the same each year. - Exception: The IRS allows the account owner to switch to the RMD method in any year after the first year provided the RMD method continues to be followed in all later years.

RMD calculation upon attaining age 70½

To find the current RMD, divide the adjusted balance of all IRAs on December 31 of the previous year by the applicable divisor from the IRS Uniform Lifetime Table. Use the account owner's age on this year's birthday. If the account owner's spouse is the sole beneficiary of the IRA and is more than 10 years younger than the owner, you may use a separate IRS table – Joint and Last Survivor – that addresses joint life expectancy, which will result in a lower RMD.

IRS uniform lifetime table

Age	Applicable divisor	Age	Applicable divisor	Age	Applicable divisor
70	27.4	80	18.7	90	11.4
71	26.5	81	17.9	91	10.8
72	25.6	82	17.1	92	10.2
73	24.7	83	16.3	93	9.6
74	23.8	84	15.5	94	9.1
75	22.9	85	14.8	95	8.6
76	22.0	86	14.1	96	8.1
77	21.2	87	13.4	97	7.6
78	20.3	88	12.7	98	7.1
79	19.5	89	12.0	99	6.7

1 The early distribution penalty is 25% (instead of 10%) during the first two years of SIMPLE IRA plan participation.
2 Substantially equal periodic payments are available to qualified plan and 403(b) participants only after severance from employment.

Rollovers and transfers

Retirement plan distributions

Plan type	What distributions can be rolled over/transferred	What distributions cannot be rolled over/transferred	Rollover options: Direct rollover	Rollover options: Indirect rollover	Rollover options: Partial rollover
Qualified/ 403(b)/ Governmental 457(b)	– Any eligible distribution that is not described at right[1]	– RMDs – Corrective distributions of excess contributions or deferrals – Hardship distributions – Loans treated as distributions – Distributions that are part of a series of substantially equal payments made at least annually over a lifetime or a period of 10 years or more – Dividends on employer securities – The cost of life insurance coverage	– Trustee-to-trustee transfer to an eligible plan or IRA – No tax or penalty in the year of the rollover (unless the rollover is to a Roth IRA or a designated Roth account in the plan)	– The plan must withhold 20% for federal income taxes, and the participant receives the net amount. – To avoid tax and a potential 10% early distribution penalty, the participant must deposit the full distribution (including the 20%) in an eligible plan or IRA within 60 days.	– A portion of the distribution is transferred or rolled over, and the participant keeps the remainder. – The amount not transferred or rolled over is subject to tax and possibly a 10% early withdrawal penalty.
Traditional IRA/SEP/ SIMPLE IRA	– Any distribution to the account owner or the owner's surviving spouse (who inherited the IRA) that would be taxable if it is not rolled over or transferred to another plan or IRA (but only one 60 day rollover is allowed from the owner's aggregate IRAs in a one-year period)[2]	– Amounts representing nondeductible contributions to a traditional IRA cannot be rolled into a qualified/403(b)/ Governmental 457(b) plan – RMDs – Corrective distributions of excess contributions – Distributions that are part of a series of substantially equal periodic payments under Section 72(t) of the Internal Revenue Code – Any distribution made within one year of another distribution that was rolled over from the account owner's aggregate IRAs – Any distribution to a nonspouse beneficiary who inherited the IRA	– Trustee-to-trustee transfer to an eligible retirement plan or IRA – No tax or penalty in the year of the rollover (unless the rollover is to a Roth IRA)	– The IRA owner receives the distribution and deposits it in an eligible plan or IRA within 60 days. – No tax or penalty in the year of the rollover (unless the rollover is to a Roth IRA)	– A portion of the distribution is transferred or rolled over, and the IRA owner keeps the remainder. – The amount not transferred/rolled over is subject to tax and possibly a 10% early withdrawal penalty.
Roth IRA	– Generally, any distribution to the account owner or the owner's surviving spouse (only one 60 day rollover is allowed from the owner's aggregate IRAs within a one-year period)[2]	– Any distribution made within one year of another distribution that was rolled over from the account owner's aggregate IRAs – Any distribution to a nonspouse beneficiary of the Roth IRA	– Trustee-to-trustee transfer to another Roth IRA – No tax or penalty in the year of the rollover	– The Roth IRA owner receives the distribution and deposits it in a Roth IRA within 60 days. – No tax or penalty in the year of the rollover – The five-year period used to determine qualified distributions doesn't change.	– A portion of the distribution is transferred or rolled over to another Roth IRA, and the account owner keeps the remainder. – Any earnings amount that is not rolled over is potentially subject to tax and a 10% early withdrawal penalty (unless distribution is qualified).

Source: IRS Publication 590-A

1 A distribution to a nonspouse designated beneficiary of a deceased employee will be treated as an eligible rollover distribution only if it is directly transferred to a traditional or Roth IRA established to receive the distribution.
2 There is also a prohibition on making another tax-free rollover from the IRA that received the rollover contribution within the same one-year period.

Moving money between plans

Roll from	Roll to: Roth IRA	Traditional IRA	SIMPLE IRA	SEP	457(b) (government)	Qualified plan[1] (pretax)	403(b) (pretax)	Designated roth account (401(k), 403(b), or 457(b))
Roth IRA	Yes[2]	No	No	No	No	No	No	No
Traditional IRA	Yes[3]	Yes[2]	Yes[2,7] (after 2 years)	Yes[2]	Yes[4]	Yes	Yes	No
SIMPLE IRA	Yes[3] (after 2 years)	Yes[2] (after 2 years)	Yes[2]	Yes[2] (after 2 years)	Yes[4] (after 2 years)	Yes (after 2 years)	Yes (after 2 years)	No
SEP	Yes[3]	Yes[2]	Yes[2,7] (after 2 years)	Yes[2]	Yes[4]	Yes	Yes	No
457(b) (government)	Yes[3]	Yes	Yes[7] (after 2 years)	Yes	Yes	Yes	Yes	Yes[3,5]
Qualified Plan[1] (pretax)	Yes[3]	Yes	Yes[7] (after 2 years)	Yes	Yes[4]	Yes	Yes	Yes[3,5]
403(b) (pretax)	Yes[3]	Yes	Yes[7] (after 2 years)	Yes	Yes[4]	Yes	Yes	Yes[3,5]
Designated Roth Account (401(k), 403(b), or 457(b))	Yes	No	No	No	No	No	No	Yes[6]

Source: IRS Publication 590-A

1 Qualified plans include, for example, profit sharing, 401(k), money purchase and defined benefits plans.
2 Only one rollover in any 12-month period.
3 Must include in income.
4 Must have separate accounts.
5 Must be an in-plan rollover.
6 Any nontaxable amounts distributed must be rolled over by direct trustee-to-trustee transfer.
7 Applies to rollover contributions after December 18, 2015.

Federal tax rates and schedules

Federal income tax for 2019: Single

If taxable income is over ...	But not over ...	The tax is ...
$0	$9,700	10% of the amount over $0
$9,700	$39,475	$970 plus 12% of the amount over $9,700
$39,475	$84,200	$4,543 plus 22% of the amount over $39,745
$84,200	$160,725	14,382.50 plus 24% of the amount over $84,200
$160,725	$204,100	$32,748.50 plus 32% of the amount over $160,725
$204,100	$510,300	$46,628.50 plus 35% of the amount over $204,100
$510,300	No limit	$153,798.50 plus 37% of the amount over $510,300

Federal income tax for 2018: Single

If taxable income is over ...	But not over ...	The tax is ...
$0	$9,525	10% of the amount over $0
$9,525	$38,700	$952.50 plus 12% of the amount over $9,525
$38,700	$82,500	$4,453.50 plus 22% of the amount over $38,700
$82,500	$157,500	$14,089.50 plus 24% of the amount over $82,500
$157,500	$200,000	$32,089.50 plus 32% of the amount over $157,500
$200,000	$500,000	$45,689.50 plus 35% of the amount over $200,000
$500,000+	No Limit	$150,689.50 plus 37% of the amount over $500,000

Federal income tax for 2019: Married filing jointly or qualifying widow(er)

If taxable income is over ...	But not over ...	The tax is ...
$0	$19,400	10% of the amount over $0
$19,400	$78,950	$1,940 plus 12% of the amount over $19,400
$78,950	$168,400	$9,086.50 plus 22% of the amount over $78,950
$168,400	$321,450	$28,765 plus 24% of the amount over $168,400
$321,450	$408,200	$65,497 plus 32% of the amount over $321,450
$408,200	$612,350	$93,257 plus 35% of the amount over $408,200
$612,350	No limit	$164,709.50 plus 37% of the amount over $612,350

Federal income tax for 2018: Married filing jointly or qualifying widow(er)

If taxable income is over ...	But not over ...	The tax is ...
$0	$19,050	10% of the amount over $0
$19,050	$77,400	$1,905 plus 12% of the amount over $19,050
$77,400	$165,000	$8,907 plus 22% of the amount over $77,400
$165,000	$315,000	$28,179 plus 24% of the amount over $165,000
$315,000	$400,000	$64,179 plus 32% of the amount over $315,000
$400,000	$600,000	$91,379 plus 35% of the amount over $400,000
$600,000+	No Limit	$161,379 plus 37% of the amount over $600,000

Capital gains tax for 2019

Long-term capital gains tax rates (longer than 12 months)[1]

	Taxable income		
Tax rate	Single	Married filing jointly	Head of household
0%	$0 - $39,375	$0 - 78,750	$0 - $52,750
15%	39,375 - $434,550	$78,750 - $488,850	$52,750 - $461,700
20%	over $434,550	over $488,850	over $461,700

Short-term capital gains (12 months or less) are taxed at ordinary income tax rates

Capital gains tax for 2018

Long-term capital gains tax rates (longer than 12 months)[1]

	Taxable income		
Tax rate	Single	Married filing jointly	Head of household
0%	$0 - $38,600	$0 - $77,200	$0 - $51,700
15%	$38,601 - $425,800	$77,201 - $479,000	$51,701 - $452,400
20%	over $425,800	over $479,000	over $452,400

Short-term capital gains (12 months or less) are taxed at ordinary income tax rates

Standard deduction for 2019

Filing status	Deduction
Single	$12,200
Married filing jointly	$24,400
Married filing separately	$12,200
Head of household	$18,350
Surviving Spouse	$24,400

Standard deduction for 2018

Filing status	Deduction
Single	$12,000
Married filing jointly	$24,000
Married filing separately	$12,000
Head of household	$18,000
Surviving Spouse	$24,000

1 Some investors may owe an additional 3.8% of their net investment income, or the amount by which their modified adjusted gross income exceeds the statutory threshold amount based on their filing status. (Single or head of housefold - $200,000, Married filing jointly – $250,000, Married filing separately – $125,000).

Before investing, investors should carefully read the prospectus and/or summary prospectus and carefully consider the investment objectives, risks, charges and expenses. For this and more complete information about the fund(s), investors should ask their advisors for a prospectus/summary prospectus or visit invesco.com/fundprospectus.

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